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INTERNATIONAL DEVELOPMENT AID AND THE POLITICS OF SCALE

SHAHAR HAMEIRI AND FABIO SCARPELLO

ABSTRACT

Much international development assistance has been delivered in the form of statebuilding interventions over the past twenty years, especially in post-conflict or fragile states. The apparent failure of many international statebuilding interventions has prompted a ‘political economy’ turn in development studies. This article critically assesses the key approaches that have emerged to address the interrelations between interveners and recipients, and advances an approach that places the politics of scale at the core of the conflicts shaping the outcomes of international intervention. Different scales privilege different interests, unevenly allocating power, resources, and political opportunity structures. Interveners and recipients thus pursue scalar strategies and establish socio-political alliances that reinforce their power and marginalise rivals. This approach is harnessed towards examining the uneven results of the Aceh Government Transformation Programme, financed by the World Bank-managed Multi Donor Trust Fund following the 2005 peace agreement and implemented by the UNDP and the Aceh provincial government.

KEYWORDS: politics of scale, international interventions, development aid, Aceh.

INTRODUCTION

Statebuilding became an important modality of development assistance in the late 1990s, with the emergence of the so-called ‘Post-Washington Consensus’ (PWC). While this agenda did

not abandon the Washington Consensus' substantive objectives, it did shift donors' approaches from rolling back the state, under the assumption that liberal markets would then flourish, to building the state up in market-supporting ways (Carroll 2010). Donor-led international statebuilding interventions (SBIs) have since predominately taken the shape of 'good governance' programs, mainly through public administrations reform (PAR) and 'capacity development' (Brinkerhoff, Wetterberg & Dunn 2012: 274). Other aid objectives – poverty reduction or political stabilisation – are seen to follow the development of state apparatuses with the capacity to provide public goods, such as economic development, security, health, education and basic infrastructure.

Although statebuilding is not donors' only approach, it has been especially prominent in post-conflict or post-disaster contexts and/or in fragile states, where the capacity of recipient governments and bureaucracies to provide public goods to populations is seen to be particularly weak. For example, it has been estimated that in 2011 alone, around \$53 billion – 38 per cent of the total Official Development Aid (ODA) provided by the members of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) – was spent in fragile states. Much of this aid was delivered in the form of PAR and capacity development to build up recipient states (Gisselquist 2015: 1269).

Even proponents have been forced to concede, however, that these efforts have often been unsuccessful. In 2004, for example, a UNDP (2004: 18) review concluded that PAR 'is as infrequently entirely successful as it is vitally important'. Likewise, Fritz and Menocal's (2007: 544) assessment of international agencies' interventions concluded that 'public-sector reforms, as well as capacity-building efforts more generally, have fallen short of expectations'.

These problems have over the past decade produced a 'political economy turn' in development studies, and to a limited extent in international development practice. Political economy has a long pedigree in development studies, dating back at least to the 1960s'

dependency theorists. The recent scholarship, however, has partly originated within the mainstream aid agencies. In light of persistent failures of outcome and implementation, some scholars and practitioners have called upon donors to abandon aid's technocratic 'conceit', arguing that intervention outcomes are fundamentally shaped by recipients' politics and/or political economy (Carothers & De Gramont 2013). They have thus endeavoured to analyse how the interaction between donor programming and recipient societies produces varying outcomes.

This literature is broadly divided into two main groups: a liberal-pluralist camp that sees development as a 'collective action' problem and looks at international intervention as a means of overcoming some hurdles preventing the 'public good' from being realised; and a second camp, broadly based on Gramscian state theory, that views development as 'a historical process of contested structural change' within inherently unequal societies shaped by capitalist development (Hutchison et al 2014: 78). It, therefore, emphasises the deeply ingrained nature of the power relations produced through development processes and donors' limited capacity to promote change. We agree that this literature, especially the Gramscian approach, manifests important improvements on previous, technocratic approaches. Our core contention, however, is that it falls short of providing satisfactory explanations by neglecting the key role that the politics of scale plays in struggles over SBIs' outcomes.

Borrowing from Brenner (2001: 599-600), we define the politics of scale as the 'contestation over the construction of scales, as well as differentiation and ordering among various scales'. 'Scale' refers to vertically differentiated, hierarchised social, political and economic spaces, each denoting 'the arena and moment, both discursively and materially, where sociospatial power relations are contested and compromises are negotiated and regulated' (Swyngedouw 1997: 140). The scalar configuration of political life is always contested because different scales privilege different configurations of actors, power, resources

and political opportunity structures (Hameiri & Jones 2015). Hence, *rescaling* – or the attempt to construct and/or shift power to a specific scale and associated mode of governance – is frequently contested because it can alter the power balance on a given issue and potentially change political outcomes (Gough 2004). We see the politics of scale as intrinsic in SBIs because these interventions essentially operate through state transformation (Hameiri 2010). Donors are not simply trying to build capacity, leaving the state otherwise unchanged. Rather, their programs attempt to internationalise strategic parts of target states' apparatuses so that these become less responsive to local demands, often viewed as pernicious or dysfunctional, and more attuned to international governance agendas, geared towards meeting international targets and aspirations (Hameiri 2010). In other words, donors do not attempt to usurp recipient states' sovereignty but to limit their leaders and populations' political choices through the strategic rescaling of public administrations. Recipients, in turn, respond with their own scalar strategies that often include the selective adoption of particular programs, or aspects thereof, to promote their own interests and preferred ideologies. Because recipients' formal sovereignty remains intact, key actors, such as national or sometimes subnational governments, maintain a central role as 'scale managers' (Peck 2002: 340), capable of determining which interventions are admitted into the scalar configuration. In turn, how political elites exercise this capacity is shaped by the broader power relations in which they are embedded and whether they perceive particular donor projects to reinforce or undermine their position relative to rivals. Meanwhile, weaker groups will often attempt to harness the pressure that international intervention places upon dominant elites to attempt 'localisation' – rescaling power and resources downwards to subnational scales often constructed around supposedly organic communities.

Given that donor and recipient scalar strategies play a crucial role in the struggles shaping the outcomes of intervention, we elaborate an analytic approach marrying Gramscian state theory with the politics of scale. We do this by first distilling the theoretical insights from

the two streams and then condensing these into a four-step approach that concretely guides analyses of SBIs. We demonstrate our approach's utility by illustrating the crucial role that the politics of scale played in shaping the uneven results of the Aceh Government Transformation Programme (AGTP) – the main PAR program of the World Bank-managed Multidonor Trust Fund for Aceh and Nias (MDF).

DEVELOPMENT STUDIES' 'POLITICAL ECONOMY TURN'

The apparent failure of many international aid programs delivered in the form of SBIs has in the 2000s led to a partial political economy turn in development studies and to a limited extent in development practice. The two approaches discussed – liberal-pluralist and structural – improve upon the technocratic PWC statebuilding agenda. Yet both neglect that the politics of scale is a core dimension of the socio-political conflicts shaping SBIs' outcomes. Below we briefly evaluate these perspectives. Given that both neglect scale, we elaborate this critique in our discussion of the structural political economy approach, which is otherwise closer to our own.

Liberal-pluralist political economy

The failings of many SBIs have prompted the emergence of a small but vocal group within development agencies, known as the 'political economy community'. The political economy community was particularly critical of the 'conceit' that development and aid were technocratic exercises (Carothers & De Gramont 2013). Leaders of recipient states were not always committed to developing their countries, but were often focused on political survival or self-enrichment. They were unlikely to adopt donors' preferred policies when these were contrary to their interests (Faust 2010). Therefore, to succeed, donors had to 'think and work politically' and 'do development differently'. Instead of focusing on lofty, but unrealistic, good governance

ideals, donors should aim for ‘good enough governance’ – ‘the minimal conditions of governance to allow political and economic development to occur’ (Grindle 2004: 526). This requires tailored intervention strategies based on detailed political economy analyses of recipient states and their societies. In practice, the political economy community has advocated two intervention strategies. The first is one of supporting progressive, developmental leadership, capable of mobilising coalitions for reform (e.g. Leftwich 2012). The second calls upon donors to create incentives for otherwise predatory elites to act in the common good by capitalising on the fragmentation and financial bases of ruling coalitions (Whitfield & Therkildsen 2011).

These efforts to transcend development orthodoxy’s technocratic fallacy are welcome, as is the rejection of ‘best practice’ templates in favour of iterative approaches (Carothers & De Gramont 2013). Yet, despite recognising the unevenness of power and opportunity in recipient societies, the political economy community has retained the orthodox donor view of development as a public good benefitting all. Attaining development is viewed from this vantage as a collective action problem – overcoming obstacles posed by self-serving elites and dysfunctional institutions in the realisation of the common good.

Like many liberal-pluralists the political economy community is caught in a bind between recognising that powerful nefarious interests exist and the myth that interests potentially could, and should, be harmonious for the greater good. Just why people and leaders consistently fail to make ‘good’ choices is never entirely clear, however. Furthermore, liberal-pluralist analysis is not particularly helpful in identifying with whom interveners should try and partner and to what ends. Without a structural view of power, liberal-pluralists struggle to identify ‘champions’ who can deliver or ‘bad guys’ that must be bought off.

Structural Political Economy

An alternative is the view of development as ‘contested structural change’ (Hutchison et al. 2014: 78). This view rejects the liberal-pluralist notion that society is an equal playing field in which fluid groups compete over the policy choices of neutral states. Rather, it argues that long-term historical processes of economic and social change, associated with capitalist development, produce structurally unequal societies where power and wealth are unevenly allocated. In turn, different groups in state and society struggle to shape the state and its institutions in ways that privilege their own interests and marginalise rivals, as well as promulgate ideologies justifying or denouncing these socio-political orders.

This perspective is premised on Gramscian state theory. Its primary insight is to view the state and civil society as parts of a single social whole, where the power and ideologies of dominant classes are advanced or contested (Gramsci 1971). This was later developed by Nicos Poulantzas (1978) and especially Bob Jessop (e.g. 2008), who argued that the state and its institutions are expressions of social power. State institutions’ form and operation reflect conflicts and compromises among historically specific social forces and coalitions rooted primarily in the political economy – classes, class fractions, distributional coalitions and other groups, such as ethnically or religion based organisations (Hewison, Robison & Rodan 1993: 4-5). These coalitions, often straddling state and society, struggle to make and remake key institutions, especially of the state, to entrench their own power and wealth and weaken opponents.

In this view, state institutions exhibit a ‘strategic selectivity’ – they are structured to be systematically more open to some social forces pursuing certain social and political agendas, through certain strategies, while marginalising others (Jessop 2008). How the state and its institutions function, and in whose interests, is the outcome of dynamic conflict between social forces, and coalitions thereof, whose emergence and relative power is the product of earlier transformations in the political economy and associated struggles and compromises. In short,

the state's strategic selectivity, as well as the form and function of important institutions, is not static. It may shift, in response to the changing political economy and actors' strategies.

Development is, therefore, not seen as predominately about economic growth, gross domestic product, or some other aggregate human welfare indicators. It fundamentally refers to endless struggles between social forces over how resources are to be distributed, who is to benefit, and where power resides. In this view aid programming 'is an intervention in this process [of development], but not a driver of it' (Hutchison et al. 2014: 78).

By basing itself in a structural analysis of power, this approach provides a better guide for analysing how socio-political power relations in recipient states and societies shape intervention outcomes and who interveners should partner with. Regarding the latter, scholars recommend that donors establish 'tactical alliances' with powerful interests in target societies to advance limited goals where a convergence of interest is possible. Whereas donors prefer to support ideologically compatible allies, these are often weak in recipient societies and therefore unlikely to help attain desired results (Hutchison et al. 2014).

We are sympathetic to this broad understanding of development and intervention; indeed we also use Gramscian state theory. But we find its neglect of the spatial dimensions of the politics of SBIs, which it shares with liberal-pluralist approaches, a significant limitation. Indeed, structural political economists do not theorise territorial space, but presume it is a fixed site on which socio-political conflict occurs.

This is unsatisfactory in the SBI context. Since donors usually do not usurp the recipients' sovereignty but nonetheless aim to limit their political choices, *rescaling* is a core intervention aspect. Donors typically seek to internationalise key parts of recipient states' national or subnational public administrations, such as those responsible for budgeting or for delivering key services, like policing. The aim is to make them responsive not to domestic political or popular pressures, often viewed as detrimental to development, but to international

objectives and agendas. Recipients respond to internationalisation attempts with their own scalar strategies. Hence, struggles over SBI outcomes are not simply occurring *within* territorial containers; rather their outcomes are ‘shaped by a struggle *about* scale: they involve conflict over how power, resources and authority should be allocated to (prospective) institutions at different territorial tiers’ (Hameiri & Jones 2017: 61).

INTERVENTION AND THE POLITICS OF SCALE

Our approach combines insights from Gramscian state theory with the scholarship on the politics of scale. We have explained above how the former provides useful tools for analysing the nature of power and socio-political struggle. Here we focus on the latter and explain how we join them to analyse SBIs.

Political geographers have long argued that space and society are mutually constituted. Power relationships run through the organisation of space and, in turn, the spatial organisation of political and economic governance helps (re)produce particular social power relations (Harvey 2006). It is in this holistic, ‘sociospatial’, context that the production of scale, and struggles over scale, must be understood. ‘Scale’ refers to hierarchically related territorial spaces, each denoting ‘the arena and moment, both discursively and materially, where sociospatial power relations are contested and compromises are negotiated and regulated’ (Swyngedouw 1997: 140). Scales can be administrative tiers within a state, but they can also cut across these, manifesting, for example, in scales such as ‘the global’, ‘bio-regions’, or ‘local communities’. In all its manifestations, however, scale is never a ‘bounded, territorially complete concept’, fully containing any kind of social relations (Bulkeley 2005: 884). Scales are interconnected parts of a single social whole, not discrete entities, enclosing mutually exclusive social relations or units of different sizes contained within each other as a ‘Russian doll’ (Brenner et al. 2003: 16).

While scales are common, the scalar arrangement of political life is always contested, because different scales privilege different sets of actors, power, resources, and political opportunity structures (Hameiri & Jones 2015). Shifting scales – *rescaling* – can change these configurations, potentially changing political outcomes (Gough 2004). Recognising this, Smith (2010) coined the term ‘politics of scale’ to refer to conflicts over the production of scales, as well as their differentiation and ordering (Brenner 2001: 599-600). Crucially, the politics of scale is *relational* – scales are always produced and reconfigured in relation to other scales within a broader context structured by the uneven distribution of power and wealth. Hence, our analytic focus is not on specifying scales and their properties, but on changes in the interrelations between socio-political power relations and the scalar configuration: ‘the shifting organizational, strategic, discursive and symbolic relationships between a range of intertwined geographical scales and...the ramifications of such interscalar transformations for the representations, meanings, functions and organizational structures of those scales’ (Brenner, 2001: 600). This informs a ‘process-based’ analysis of the politics of scale. We view ‘scalar configurations’ as ‘the outcome of sociospatial processes that regulate and organize sociospatial relations’ (Swyngedouw 2004: 132). In other words, what matters is not scalar hierarchies per se, but how human agents, whose relations with other agents are unevenly sociospatially structured through earlier similar processes, seek to produce, contest, or reconfigure scales, as part of a broader quest for power and wealth. Such efforts are supported or resisted by other actors, potentially changing socio-political outcomes and scalar configurations.

The politics of scale is an important dimension of socio-political conflict in most societies, but in the SBI context it is central, as we elaborate.

HOW TO STUDY INTERNATIONAL INTERVENTIONS

In this section, we elaborate a four-step approach for analysing SBI outcomes, combining Gramscian state theory and the politics of scale. The first three steps are not sequential, but necessary elements of the analysis. The fourth entails joining up these steps to produce a fine-grained picture of uneven SBI outcomes.

A Program/Project Focus

A clear implication of Gramscian state theory is that how institutions are designed and function, and in whose interests, is the dynamic outcome of socio-political conflict. Since donors intervene into this environment, not all of their programs/projects affect recipients similarly. Rather, we find that coalitions form or disband in relation to different projects, or even segments thereof, depending on how given social forces see particular programs as potentially affecting their interests and agendas. Furthermore, forces in struggle pursue different strategies and tactics depending on the challenges particular donor efforts pose to their interests and/or ideologies and the emerging balance of power. For instance, a donor fiscal decentralisation project could threaten some elites, especially those benefitting from a scalar configuration in which the national government dominates through its control over resources, while empowering others. Both groups, however, could resist a project to introduce stricter environmental regulations over extractive industries. We therefore emphasise the significance of having a program/project focus for analysing intervention outcomes, albeit set against the broader power structures in which particular struggles are embedded. This is exemplified in our case study below where the outcomes of donor efforts were clearly uneven across different AGTP components.

The Forces in Contention

Our second step, again based on Gramscian state theory, is to identify the precise forces and coalitions struggling over given governance programs/projects, and establish their relative power by reference to the broader political economy and its legacy in the use of state power and state-society relations.

These coalitions often involve both domestic and international actors and can only be adequately understood through historical-sociological analysis that locates the power relations relevant to struggles over particular governance projects within the specific historical processes of state formation and transformation pertaining to the recipients investigated, and the role particular social forces have played within this. This entails analysing the power structures prevailing in given states and societies in particular historical moments, focusing on uncovering the main socio-political conflict fault-lines, state institutions' strategic selectivity, and different social forces' access to state power. We place special attention on understanding how the formation of, and relations between, social forces shape state power.

Strategy and the Politics of Scale

Our third and crucial step entails analysis of the scalar dimension of SBIs. As noted, SBIs operate through state transformation, seeking to internationalise – *rescale* – parts of recipient states' (sub)national administrations to make them responsive to international governance agendas and targets. Consequently, responses to SBIs by actors in recipient states and societies also typically involve scalar strategies. Three recipient scalar strategies are possible, the second and third are evident in our case study: (1) total rejection of international intervention; (2) selective adoption by the 'scale managers'; and (3) localisation. The first and second strategies are usually of the elites dominating the national government, which has a privileged position vis-à-vis donors because of the national sovereignty norm. As we elaborate later, in our case, unusually, the provincial government, and hence the elites dominating it, enjoys a privileged

position because of the broadened autonomous status Aceh was granted following the 2005 peace accord. The second and third scalar strategies often coincide, producing sharper inter-scalar conflict.

Total rejection of international intervention

Outright rejection of foreign assistance is rare, because most poor countries' governments find interveners' resources attractive. However, since SBIs do not suspend recipient states' sovereignty, intervention programs typically require at least tacit consent from their governments. This means that recipient governments retain a key role as 'scale managers' (Peck 2002: 340). They can prevent donor programs from coming in, thus maintaining a scalar configuration advantageous to them and their allies. In our case study, the Indonesian government allowed international interventions in Aceh after the tsunami, though the region had previously been sealed off to foreigners for decades. The Indonesian government, however, clearly defined the 'humanitarian' parameters within which interveners could operate and the regional sphere of intervention that, at least initially, only extended to the tsunami-affected coastal areas.

Selective adoption

This is a particularly significant response. It entails using the government's, or in some cases wider state's, scale management capacity to selectively admit or constrain international programs to produce or maintain a scalar configuration that reinforces the power of the dominant social forces. Another manifestation of this approach involves efforts to shape how rescaled institutions function, or shift resources from more heavily internationalised parts of the bureaucracy to areas that have not been rescaled. It is important because, as mentioned, the position of the elites and social forces dominating the national institutions in many developing

countries is often challenged. The resources deployed by interveners can thus make the difference between losing and maintaining power. Our Aceh case study shows how provincial elites have selectively adopted or constrained segments of the AGTP, as part of their broader internal struggles and to reinforce their power vis-à-vis the central government and district elites.

Localisation

This refers to attempts to construct a local scale of governance and shift important capacities and resources downwards onto it, especially from the national scale, thus challenging the scalar configuration and attendant power relations. This strategy is often attempted by weaker social forces, seeking to wrest power and resources away from existing elites. A ‘local’ scale could be organised around a state’s subnational administrative unit, or refer to a particular ethnic/kin community, village, or river system. What makes it local is the claim that organising political life, economic relations and/or governance at that scale is preferable to their location at a higher scale, especially the nation-state. Crucially, it is not always ‘local’ actors, such as village chiefs, that pursue localisation. Rather, the construction or reconfiguration of local scales is a context-specific attempt to intervene in a particular socio-political struggle over power and resources. An example is the donors’ ubiquitous decentralisation agenda. For development agencies, decentralisation’s main appeal is rooted in neo-institutionalist notions that bringing decision-making closer to those it affects promotes greater governmental accountability to citizens in service delivery and hence good governance. Relatedly, it is also seen as a way of circumventing patronage and inefficiencies entrenched in central states’ bureaucracies and political institutions (Grindle 2009). But as is always the case with the politics of scale, the actual outcomes of decentralisation processes are a reflection of dynamic socio-political conflict and may deviate considerably from the original intentions.

Analysing intervention outcomes

Finally, we combine the previous three steps into an analysis of governance outcomes in given contexts. Our analysis focuses on struggles over: whether particular parts of the administration are rescaled or not; when rescaling does occur, over its extent; and, finally, over how rescaled institutions actually function. Our focus is not on whether outputs reflect donor expectations (though we also address this), but on explaining concretely in whose interests actual modes of governance operate. We also examine whether power and resources are displaced to non-rescaled parts of the administration in relation to the same struggles. These outcomes will depend on the balance of forces contesting the outcomes in given contexts, with particular significance being attached to the responses and strategies of elites dominating the government and/or bureaucracy in a privileged position vis-à-vis donors – in our case, the provincial government – before and during the implementation of international programs/projects.

THE ACEH GOVERNMENT TRANSFORMATION PROGRAMME

In this section, we apply our approach to explain the uneven outcomes of the Aceh Government Transformation Programme (AGTP), a project funded by the World Bank-managed MDF. The MDF was established in April 2005, following a devastating earthquake-tsunami on 26 December 2004. The tsunami paved the way for ending a 30-year civil war, formalised in the signing of the Helsinki Memorandum of Understanding (MoU) in 2005 between the Free Aceh Movement (GAM) and the Indonesian government.

The AGTP was formally aimed at addressing perceived capacity gaps in the provincial government's ability to assume tasks and responsibilities from the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR), the temporary government agency tasked with coordinating the overall reconstruction effort and implementing most Indonesian

government-funded projects. It is a good case study to illustrate our argument. Not only was the AGTP a typical SBI, combining PAR and capacity-development activities to improve governance and developmental outcomes in post-conflict and post-disaster settings, it also implemented peacebuilding modalities and practices by integrating former rebels into the governance structure. Integrating former militants into the public administration was part of wider effort, which was broadly successful, to transition Aceh from a 30-year civil war into post-conflict rehabilitation. A case study of an apparently successful international intervention helps us focus our analysis on what went right or wrong for donors, and why. Furthermore, Aceh received over US\$5bn from donors after the tsunami – a very large disbursement of international assistance relative to the size of Aceh’s economy and the government budget. This would lead us to expect donors to have considerable leverage over the provincial government. Contrary to expectations, however, the outcomes of the AGTP were shaped by the kind of politics of scale discussed here.

Though rationalised in terms of developing the Aceh Provincial Government’s capacity, the AGTP, like other SBIs, was in fact implemented through efforts to internationalise key functions of Aceh’s provincial bureaucracy. We focus below on donors’ attempts to internationalise civil servants’ recruitment and training, and rationalise and monitor access to, and the spending of, budgets. Using our framework, we explain why the internationalisation of civil servants’ recruitment and training was resisted, while the rationalisation and monitoring of budget streams was adopted. As we will show, struggles over the AGTP must be located within the province’s broader political economy, which has long been shaped by a particularly virulent politics of scale relating to Aceh’s difficult relations with Jakarta. On this matter, the 2005 peace agreement was a key milestone: it transformed the scalar configuration, concentrating control over rents from resource-extraction and foreign aid within the provincial government, and it drastically altered the strategic selectivity of the state in Aceh in favor of

socio-political groups associated with GAM. However, in a manner that we explain below, subsequent social and political struggles among former rebel factions, as well as provincial elites' conflicts with Jakarta and district elites, have had considerable influence on provincial political elites' orientation towards different elements of the AGTP. This has affected the AGTP's capacity to rescale provincial governance towards desired objectives.

Explaining the State's Strategic Selectivity in Aceh

In line with our approach's second step, in order to analyse the AGTP's uneven outcomes, we must first outline the political economy structures shaping the scalar configuration in which Aceh is located and the power relations affecting provincial elites' orientation towards the AGTP. Aceh's relationship with Jakarta has been problematic since Indonesia's declaration of independence in 1945 (see Aspinall 2007; Sulistiyanto 2001). But the situation worsened when General Suharto rose to power in 1965. Suharto established central control over the restive archipelago through coercion and the provision of opportunities for enrichment to senior figures in the bureaucracy and the military, which were installed as officials at subnational levels. In Aceh, Suharto's efforts to control the province by supporting technocrats and the military to operate as regime proxies were linked to its growing economic importance (Sulistiyanto 2001: 439).

At the core of the transformation in the scalar configuration was Mobil Oil's discovery of huge liquid natural gas and oil deposits in 1971. Once production started in 1977, Aceh's contribution to the national coffers ballooned to between US\$2 and \$3 billion annually (Sulistiyanto 2001: 440). But Aceh saw little benefit from this boom, receiving only about US\$82 million annually from Jakarta, and Acehnese were prevented from working in the industry and gaining infrastructure contracts (Sulistiyanto 2001: 439).

The oil boom in fact led to an increase in poverty, inequality and social tensions in Aceh. In the late 1970s, oil and gas accounted for less than 17 per cent of Aceh's GDP (Kell 2010 [1995]:14), but only around 1.8 per cent of the population lived below the poverty line (Ross 2005: 38). By 1998, however, as more than 40 per cent of Aceh's GDP was due to oil, poverty had increased by 239 per cent (Brown 2005: 4). Moreover, in 1990, more than half the Javanese employed in Aceh's urban areas held jobs in the top strata of their profession, compared with only a third of Acehnese, while in the rural areas, Javanese migrants had larger land-holdings than Acehnese (Brown 2005: 5-7). Poverty and inequality fostered Acehnese hostility against the Javanese.

It is in this context that GAM emerged to challenge Jakarta. Local businessman, Hasan di Tiro, established GAM and declared Aceh independent on 4 December 1976. The declaration was an extreme example of a localisation strategy, meant to shift power downwards. Jakarta responded by launching military operations. The subsequent 30 years of war were tainted by widespread human rights abuses on both sides, and punctuated by the failure of two peace negotiations, as well as the poor implementation of two different 'special statuses' (e.g., Aspinall 2007; Schulze 2004). The war officially ended on 15 August 2005, as the sheer magnitude of the December 2004 tsunami forced GAM to drop its call for independence and Jakarta to concede a large autonomy to the province and withdraw most of its armed forces. The Law on Governing Aceh (LoGA), which codified some of the Helsinki MoU commitments, laid the foundation for peace by dealing with some of the grievances of uneven development.

Two sets of decisions were particularly significant. First, the national government compensated and supported Aceh with the allocation of an additional 2 per cent of the central government's revenue base for 15 years starting in 2008, and 1 per cent for the five subsequent years. Between 2008 and 2015 this Special Autonomy Fund (OTSUS) added IDR 41.49 trillion

(US\$41.4 billion) to Aceh's coffers, accounting for about half of the province's overall revenue (Pusat Pengembangan Keuangan Daerah 2016: 9). Among other resource streams, the LoGA maintained Aceh's 70 per cent share of the locally produced oil and gas revenue (MIGAS), first granted with the 2001 autonomy, and allowed the province to raise taxes (Morgan, Brinkerhoff & Najib 2012: 13).

Second, and crucially, the LoGA allowed GAM members to partake in electoral politics as independent candidates first, and later via the establishment of local political parties. Both were exceptions in Indonesia at that time (Barron & Clark 2006: 7). GAM became Partai Aceh (PA) in 2008, but those associated with the rebel group swept to power even earlier. GAM's political control of the province was instrumental in avoiding a relapse into war, reflecting the absence of alternative social forces after a 30-year conflict, but it did not end socio-political struggle. To the contrary, 'the transitional period has produced a new social arena for competition and created particular patterns of conflict' (Ansori 2012: 33). Below, we focus on the struggles for political and economic supremacy among GAM elites as these are closely linked to the control of the provincial government and of the bureaucracy, and have critically affected the AGTP's implementation and outcomes.¹

Elite political struggles in post-conflict Aceh

The peace agreement affected the strategic selectivity of the state in Aceh where, as ICG (2007: 1) puts it, 'loyalty to GAM replaced good connections to Jakarta or local army commanders as the key to political and business opportunities'. As GAM fragmented, however, the relationship between political power and patronage became particularly pronounced. Electoral politics has turned into a 'zero-sum' game with '[p]olitically motivated killings, kidnapping, vandalism, and widespread intimidation and threats to voters' (Zyad 2014). Since the peace agreement has

strengthened and broadened the provincial government's control over Aceh's abundant natural resources, it became the hardest fought administrative tier in the scalar configuration.

Many former rebels benefited from the spoils of peace. Most senior GAM members gained important positions and lucrative contracts (Ansori 2012), while many other former GAM members became active in business. They used their connections in government to win supplier contracts with government departments; helped mining companies acquire government licences, becoming partners in the exploitation of natural resources; or acted as brokers for national companies or foreign investors that wanted to enter the Acehnese market (Aspinall 2009: 15-16). In this context, control of the provincial government and its bureaucracy has become essential for elites to establish and maintain the patronage network needed for political and economic supremacy. Especially important within the public administration were 'echelon II' bureaucrats, in charge of provincial government units.²

Various intra-GAM fissures have emerged since the peace agreement was signed. The first emerged at the 2006 gubernatorial election, won by Irwandi Yusuf, a former senior GAM cadre. At the vote, he ran as an independent candidate paired with former NGO leader, Muhammad Nazar. The senior GAM leadership, headed by former exiles Malik Mahmud and Zaini Abdullah, supported Ahmad Humam Hamid and Hasbi Abdullah, two local academics, who ran as candidates of the Islamic United Development Party. Most GAM military commanders and the young Acehnese supported Irwandi, though, showing leaders as out of touch. This was made possible as the Aceh Transition Committee (KPA) – a civilian organisation established after the peace agreement to represent the former GAM's military wing – remained neutral (Santoso 2006).

The intra-GAM split meant that Irwandi's priorities once in office were to take control of the province's hitherto pro-Jakarta bureaucracy, by replacing a number of echelon II officials, and strengthen his network within GAM. Patronage politics, supported by access to

government funds, was instrumental for both objectives. The reshuffle of echelon II staff, in particular, put in place the conditions for his supporters to be favoured, while control of the provincial government allowed Irwandi to direct allocation of OTSUS-funded projects to districts and cities headed by friendly administrations (Cahyono 2016: 7-8).

The intra-GAM split deepened. Over time the balance of power shifted in favour of the old GAM leadership as, once established, Partai Aceh (PA) tightened its alliance with the KPA, developing overlapping memberships and structures that made it increasingly difficult for former GAM rebels to successfully run as independents. This facilitated a mutually beneficial relationship between PA and the KPA members: KPA's patronage machinery provided party cadres, while PA provided KPA members with privileged access to government contracts (Sindre 2016).

Political conflict continued during the build-up to the 2012 gubernatorial election when, after PA threatened to boycott the vote, both the PA and Irwandi took their grievances to the national Constitutional Court (see Aspinall 2011). PA candidates – Zaini Abdullah, GAM's former foreign minister, and Muzakkir Manaf, KPA and PA's head – overpowered Irwandi and his running partner, winning 55.75 per cent of the vote. Once in office, Zaini moved fast to replace a number of echelon II and III bureaucrats. Indeed, he reshuffled the public administration several times, even placing many of his family members in key positions. The appointment of his wife's cousin as an 'expert' in the regional development agency, was particularly influential in facilitating many of Zaini's associates gaining lucrative government contracts (personal communication with Alfian, Coordinator of Masyarakat Transparansi Aceh, 20 September 2016).

The provincial government has thus become a turf for political struggles among former GAM elites. The AGTP became engulfed in these power struggles with the project's components variously co-opted, rejected or selectively adopted by Irwandi and Zaini inasmuch

as they served or undermined their interests, chief of which was servicing the patronage networks among former GAM cadres essential for attaining power and keeping control over the provincial government. Having traced the relevant sociospatial context, in line with our approach, we now focus on different components of the AGTP and show how the struggles and scalar strategies around each shaped their outcomes.

Explaining the Failure of Reforms to the Recruiting and Training of Civil Servants

The most ambitious rescaling strategies attempted by donors aimed at internationalising the recruiting and training of civil servants to limit patronage and corruption and improve service delivery. Specifically, the AGTP aimed to introduce a merit-based, ‘fit-and-proper’ test in the recruitment of mid-level civil servants, based on a ‘standardised scoring format’, newly drafted by AGTP experts, that assessed job descriptions and competencies for civil servants. The AGTP aimed also to turn the BKPP, the agency in charge of training Acehese civil servants, into a ‘Centre of Excellence’ by introducing ‘good governance’ benchmarks in the training processes and practices so that these would progressively be passed on to other government units and improve the quality of the entire bureaucratic apparatus. Neither strategy was successful in altering the behaviour of the targeted institutions.

The ‘fit-and-proper’ test was the result of a tactical alliance between the United Nations Development Programme (UNDP) and Irwandi. Though UNDP had reservations regarding Irwandi’s reform credentials, it saw the governor’s concerns over the dependability of civil servants as an opening to promote reforms aimed at rationalising and disciplining recruitment (interview with senior UNDP staff, Jakarta, 28 January 2016). The test was implemented in 2008 for the recruitment of 42 echelon II staff. For the first time in Aceh, positions were open to both echelon II and echelon III civil servants that fit the criteria. The process was managed by an assessment centre established by the AGTP and staffed with Indonesian academics and

experts trained in interview techniques by consultants recruited in England and Malaysia (UNDP 2012b: 26).). At first glance, this indicated substantial changes in the practices of recruiting civil servants, and donors claimed that the test had introduced best practice and merit-based recruitment (UNDP 2012a: 21). A more careful reading, however, shows that the test was constrained by the prominence of the national government in setting the wages, measuring the performance, and deciding on hiring and promotions of civil servants even at the provincial level (Harun, An & Kahar 2013: 386). It was also instrumentally executed by Irwandi for his short-term political gains, and did not substantially or permanently change the murky process and practices that characterise how civil servants are recruited in Aceh.

Donors wanted to institutionalise an assessment process that placed primacy on managerial skills. This approach, in line with technocratic development orthodoxy, meant that the stated aim was to ‘select the 40 candidates with the best managerial skills and appoint them to manage the 40 provincial agencies’ (interview with senior UNDP staff, Jakarta, 28 January 2016). This proved unfeasible. The LoGA granted the provincial and district governments in Aceh authority over local civil servants. But the lack of specific bylaws to implement the LoGA, and lingering central government requirements regarding seniority, qualifications, and training of staff, limited donors’ space for manoeuvre. The ‘fit-and-proper’ test was in the end designed to evaluate the criteria set by the central government, rather than the candidates’ managerial skills (interview with senior UNDP staff, Jakarta, 28 January 2016)..

In addition, the avowed commitment to international best practice in recruitment was questioned from the outset, as most reshuffled echelon II staff were GAM sympathisers. Sources in Aceh noted, the ‘fit-and-proper’ test did not abolish patronage networks but legitimised Irwandi’s efforts to dislodge the existing network and replace it with his own (see also Aspinall, Hillman & McCawley 2012; Hillman 2013). Any lingering best practice pretence dissolved as Irwandi dismissed 12 of the newly (re)appointed heads of agencies after less than

12 months in office. One of the governor's advisors said that 'this decision was made on the basis of a performance evaluation of all heads of department conducted six months after their appointments' (cited in Aspinall, Hillman & McCawley 2012: 22). But the arbitrariness of the sacking made it clear that appointments had little to do with merit. In the end, the 'fit-and-proper' test worked only as a veneer of legitimation for Irwandi's drive to strengthen his support base within the bureaucracy (see also Aspinall, Hillman and McCawley 2012: 22; Hillman 2013). UNDP quietly acknowledged this bias later on (interview with senior UNDP staff, Jakarta, 28 January 2016). Irwandi never implemented the 'fit-and-proper' test again and did not maintain the assessment centre that donors hoped could extend the test to echelon III and IV staff, for which job descriptions and competencies had been prepared too (Aspinall, Hillman & McCawley 2012: 22; Hillman, 2013: 6). Not much has changed post-Irwandi, because his successor's interests were fundamentally similar.

Zaini has repeatedly made calls for bureaucratic reform since taking office in June 2012 (Serambi Indonesia 2015a; 2016). Yet he has opted not to revive the test or the assessment centre, and has carried out nine major reshuffles involving at least 664 civil servants between June 2012 and June 2016. Echelon II staff have remained in their role for an average of six to eight months only (GeRAK Aceh 2016). The failure to rescale recruitment to a merit-based approach is confirmed by ongoing accusations: of corruption, with bribes paid to intermediaries that facilitate promotion of civil servants (Askhalani 2013); of nepotism, with government officials favouring their relatives in promotions (Askhalani 2013); and of politicisation, with Zaini placing his loyalists in the top positions (IPAC 2014: 3).

The importance of control over the bureaucracy for Irwandi's and subsequently Zaini's political survival meant that both also rejected the most ambitious donor-driven reform plan: the internationalisation of the BKPP. The BKPP had emerged from a recent structural reorganisation of provincial government units as the sole agency tasked with training Aceh

civil servants. The first stage of the internationalisation strategy attempted by donors was to train the trainers (the BKPP) according to ‘international benchmarks’ (UNDP 2012a: 9). Donors expected that once the BKPP had internalised the benchmarks, the agency would pass them onto the other agencies when training civil servants (UNDP 2012a: 28-29). The internationalisation strategy included a ‘Grand Design’ to strengthen the BKPP role in monitoring and assessing promotions and transfers of civil servants. To this end, the AGTP supported the establishment of a team of eight assessors, drawn mostly from the BKPP (UNDP 2012a: 26). Donors hoped this would lead to a progressive improvement in the quality of the entire bureaucratic apparatus, limiting the detrimental effects of patronage and corruption.

In practice, however, the BKPP component of the intervention had no impact at all. Irwandi’s nominal support for bureaucratic reform did not extend to the BKPP, an institution unable to produce immediate political returns. Staff at the BKPP perceived this lack of political interest, and stonewalled attempts to internationalise the agency (interview with a BKPP staff, Banda Aceh, 5 February 2016). The BKPP, for example, refused to participate in the ‘capacity needs assessments’ that the AGTP had organised for all the provincial agencies (Hillman 2013: 8); and to take part in the workshops organised by the consultants (interview with a consultant for the BKPP output, Banda Aceh, 4 February 2016). Consultants engaged in the training explained that sometimes they convinced BKPP staff to participate by offering compensation for transportation, or similar costs (ibid). Ironically, while on its website the BKPP claims to be aiming to become a ‘Centre of Excellence’, the agency has never diverged from its *modus operandi*. As Aspinall, Hillman and McCawley (2012: 28) note: ‘Training continues being supply-driven with the BKPP proposing the courses ... BKPP does not conduct needs assessments of the agencies for which it is supposed to provide training services... and there has been no systematic assessment of BKPP staff competencies’.

The resistance to the internationalisation of recruitment and training shows that Aceh's political elites had no interest in supporting deep reform as the current 'rules of the games' (patronage, corruption, frequent reshuffling) are instrumental in their jostle for power. While pluralist analyses of the AGTP suggested that the fiascos were due to donors failing to gain the support of reform-minded elites, and a lack of knowledge by the AGTP staff of the political context (Hillman 2013: 13), our findings indicate that these claims are only partly substantiated. The UNDP actively sought a tactical alliance with Irwandi, then considered the most reform-minded leader. But Irwandi proved only interested in reforms that benefitted him in the short-term. The UNDP was aware, and noted on several occasions, the risks associated with the political context. Some of the non-Indonesian UNDP staff had a long experience in Indonesia, and several of the AGTP personnel were Acehnese (UNDP 2010:18-19). The agency was simply unable to overcome the constraints imposed by the structures that underpin political power in the province and its efforts at rescaling the province's administration were crucially shaped by Irwandi and Zaini's scalar strategies of selective adoption. As mentioned, their capacity to effectively implement this scalar strategy has been shaped by transformations in the scalar configuration and in the strategic selectivity pertaining to Aceh post-2005.

Explaining the Successful Rescaling of Budget Resource Streams' Check-and-balances

Donors perceived that successful post-tsunami rehabilitation depended on the ability of the Aceh provincial and district administrations to manage their budgets according to good governance principles of transparency and efficiency. This explains the AGTP support for the ad-hoc Special Autonomy and Oil and Gas Funds Team (*Tim Otsus Migas*) and the Activity Acceleration and Control Unit (Unit P2K). The first aimed at amending the allocation ratio of the OTSUS and MIGAS funds between the province and the districts; and drafting guidelines for how to spend these funds (Islahuddin 2010: 8). Donors saw these pre-determined objectives

and rules as essential to improving the efficient use of the funds, which as mentioned earlier account for a very high proportion of the Aceh Provincial Government's budget (interviews with EC and senior UNDP representatives, Jakarta, 22 and 28 January 2016). The Unit P2K aimed at accelerating and monitoring provincial government units' budget expenditure by setting up a transparent and public system that tracked government units' commitments and their compliance with deadlines. Budget expenditure was a real problem in Aceh where it has historically been a murky process mired in corruption, and where most of the provincial agencies, including the provincial government, had failed to disburse their full budget since 2005. Donors agreed that improving efficiency and transparency was essential to set Aceh on a path of sustainable development. The AGTP stepped in with financial and technical support after a 'capacity needs assessments', coordinated by UNDP in 2008 for all 42 provincial agencies, identified their parent departments—the Provincial Finance Office and Bappeda, the regional development planning agency—as among those in need of support. The personnel of the two units were drawn mostly from their parent institutions, but operated independently. This appealed to donors as it insulated the agencies from what one study defined as Aceh's 'excessive political interest and bureaucratic controls which have greatly limited managerial flexibility' (Aspinall, Hillman & McCawley 2012: 52). Both units enjoyed strong political backing from Irwandi and Zaini, despite resistance from other government units, and have been institutionalised since.

Notwithstanding the good governance measures *Tim Otsus Migas* was to introduce, Irwandi's support for the *Tim* was in large part due to the growing tension between the province and the districts over the control of the OTSUS fund – another important manifestation of inter-scalar conflict.³ The LoGA mandated the provincial government to regulate how the province and the districts shared and managed the OTSUS fund. A 2008 bylaw (*qanun* 2008/2) allocated 60 per cent of the OTSUS fund to the districts and 40 per cent to the province. However, the

qanun granted the province the power to manage the money, rendering control over the provincial government crucial for dominating the scalar configuration. The provincial government, for example: decided the maximum to be allocated to each district according to criteria such as the size of the territory, population, and Human Development Index; assessed the projects proposed by districts; and disbursed funds to districts several times a year (Islahuddin 2010: 8-9). This arrangement became contested even before it took effect in 2009.

In the heated political debate that ensued districts employed a localisation scalar strategy claiming that the province lacked the local knowledge to make informed decisions, and this affected projects' quality. Reports commissioned by the Aceh House of Representatives in 2010 strengthened the localisation thesis highlighting the poor results of the projects despite the IDR11 trillion (US\$ 1.1 billion) OTSUS fund allocated to Aceh between 2008 and 2010 (Taqwaddin 2010). District heads sought the support of the national government arguing that the provincial government's prominence, sanctioned in the 2008/2 *qanun*, contravened Indonesia's 2001 decentralisation law, which devolved most fiscal and administrative powers to the district level (Tryatmoko, 2016).

Irwandi was unhappy with the allocation ratio but wanted to maintain control of the purse, so he responded with a scalar strategy of his own. He maintained that the province had the knowledge and capacity to provide a province-wide vision for the use of the OTSUS fund, and argued that the 'special autonomy' was located at province level (Cahyono 2016: 4). Irwandi also sought the support of the central government, the signatory to the Helsinki peace agreement. *Tim Otsus Migas* was called to mediate between these set of interests.

The *Tim* represents a successful component of the overall intervention at several levels. First, it brokered a compromise between elites' competing interests at the provincial and district scales. The team presented a draft for an amended *qanun* in late 2010, but to Irwandi's disappointment, no agreement was reached during his term. Zaini retained *Tim Otsus Migas*,

and in September 2012 gained the support of a special Committee of the House of Representatives for a new allocation ratio that allotted the province 60 per cent and the districts 40 per cent of the OTSUS fund (Serambi Indonesia 2012b). This infuriated district heads and risked weakening PA's support base (Serambi Indonesia 2012a; 2012c). A compromise was reached as Zaini conceded to the districts the financial management of their share of OTSUS funds (Serambi Indonesia 2013). This was ratified in a new *qanun* 2013/2 and took effect from the 2014 budget year.

Second, *Tim Otsus Migas* established mechanisms and guidelines to ensure that OTSUS funds are allocated to four strategic sectors: infrastructure, health, education, and economic development, as mandated by the LoGA (UNDP 2012b: 29). These have been institutionalised and initial indications are that they have had an impact in shifting spending toward development projects, rather than routine spending (private communication with Harry Masyrafah, economist at Syiah Kuala University, 9 September 2016).

Unit P2K represents an even clearer example of a successful component of the AGTP that substantially changed processes and practices on the ground. A 'good governance' reading of Unit P2K's record shows that it effectively worked to introduce elements of transparency and efficiency in government units' budget disbursement. The Unit's effectiveness is based on the transparency of its website that publishes the expected expenditure and completion date of every provincial government project for that year.⁴ Throughout the budget cycle, it updates information on the procurement of goods and services, on disbursement, and on the progress in the physical realisation of the projects (Rachman 2012: 26). This scrutiny has put pressure on provincial agencies to comply with their own work-plans and deadlines. The Unit added further pressure on government agencies by conducting field reports and data analyses, giving warnings to underperforming project, and reporting them to the governor if they fall behind (Rachman 2012: 37). Donors claim that the Unit has introduced transparency and improved

budget disbursements (interviews with EC and senior UNDP representatives, Jakarta, 22 and 28 January 2016). Evidence suggests it has indeed improved budget absorption. In 2009, for example, the province was able to spend only 64 per cent of its budget. In 2010, after the Unit started operating, the province spent 93 per cent of its budget (Rachman, 2012: 34). This high rate has been largely maintained since, though there is no evidence that it has significantly deterred corruption in government projects (Fadillah 2016; Serambi Indonesia 2015b).

A political economy reading of the Unit P2K shows, however, that its success was heavily dependent on local political contestations. The establishment of the Unit was contested, with different groups supporting or opposing it for different reasons. Those that supported it included Irwandi, Kuntoro (the head of the powerful BRR) and the donors. Irwandi was frustrated with the slow disbursement of the budget by government units and by his lack of power in influencing the process. Donors supported it because it introduced best practice in monitoring budget expenditure by rescaling this function beyond the Provincial Inspectorate and Bappeda, both considered underperforming and corrupt. The open access website allowed civil society organisations (CSOs) to play a watchdog role too, in line with the variant of New Public Management that ‘not only aims to insulate a technocratic form of authority from undesirable political and societal pressure but also to mobilise progressive social forces behind liberal development objectives’ (Hutchison et al. 2014: 42).

Those opposing the establishment of the Unit were the Provincial Inspectorate, Bappeda and the Provincial Secretary – the Jakarta-based high-level civil servant in charge of the provincial bureaucracy (interview with member of AGTP M&E team, Banda Aceh, 3 February 2016). They claimed that the Unit would undermine Bappeda and the Inspectorate, the agencies tasked with coordinating, monitoring and auditing provincial government units. Instead, they called for further strengthening of the Inspectorate and better coordination with Bappeda. The Irwandi-Kuntoro-donors alliance suspected that their opposition was based on

the realisation that the Unit would increase transparency and bypass the existing system (private correspondence with senior UNDP staff, 14 September 2016). Irwandi eventually established the Unit by decree in March 2010. Crucially, the ad-hoc nature of the Unit allowed Irwandi to place it structurally under the governor in a manner that has strengthened the governor vis-à-vis the other government units. Zaini has retained it and it now works as a tool for the governor to monitor the progress of provincial projects (klikkabar.com 2015; LintasGayo.co 2016), and for CSOs to question how the money is spent (Atjehpost.co 2014).

Overall the *Tim Otsus Migas* case study shows that competing interests between elite groups that assume the forms of inter-scalar conflict, in this case between province and district, can open the door to institutionalising rule-based, pro-development objectives. The Unit P2K case study shows the importance of short-lived, tactical alliances to pursue gradual reforms (Hutchison et al. 2014). Both the supposedly progressive Irwandi and the conservative Zaini supported the Unit not so much on good governance grounds, but because it allowed the governor to assert authority over other government units. This example reinforces the importance of the scalar configuration in shaping recipients' orientation towards donors' reform programs. Other elites' demands to localise a greater share of resources has made supporting a budget-monitoring unit more attractive for the Aceh governors. Hence, as we argue, it is not simply recipients' ideological proclivities that determines their engagements with donor programs, but the socio-spatial context in which they are embedded.

In sum, our analysis, following the four-step approach outlined above, has allowed explaining the AGTP's uneven outcomes. After picking a particular intervention program – AGTP – as our focus, we proceeded to describe the wider political economy and sociospatial context affecting recipient elites' response to donor efforts to rescale provincial government functions. The 2005 peace agreement has transformed the scalar configuration and the strategic selectivity that had structured the social relations shaping Aceh politics, allowing former GAM

leaders to use their newly achieved dominance of the provincial government to wrest control over lucrative resources from Jakarta. They have used these resources to form and maintain patronage-based networks among former rebels – a critical social support-base in post-conflict Aceh. Our next step was to examine provincial and district elites’ scalar strategies in response to particular AGTP components. Finally, combining these with our earlier political economy analysis, we have been able to explain the intervention’s outcomes. The provincial government’s scale management capacity – the product of a peace agreement that followed 30 years of armed struggle – allowed governors Irwandi and Zaini to selectively adopt or resist aspects of the AGTP to the extent that these supported or hindered their capacity to maintain crucial patronage networks within and outside the bureaucracy.

CONCLUSION

The widely recognised failures of international interventions to achieve many of their intended objectives has led to a limited political economy turn in development studies and the emergence of new approaches that engage with the interrelations between interveners and intervened to explain the political outcomes of SBIs. We welcome these approaches, especially the structural political economy approach, but also explain that their neglect of the spatial dimension of the struggles that shape SBIs’ political outcomes limits their explanatory value. Our four-step approach, which combines Gramscian state theory with the politics of scale, allows us to explain how SBIs affect the historically specific struggles between socio-political coalitions in the recipient countries, and how these struggles and hence the outcomes of SBIs are often shaped by efforts to shift the scale at which power is located and exercised.

Our case study of the AGTP demonstrated that the provincial elite, made up of former GAM rebels competing among themselves for power and resources, implemented projects aimed at improving the monitoring and disbursement of budget resource streams because these

did not threaten their powerbase and reinforced their hand against localisation efforts from other GAM-affiliated elites. Conversely, they either co-opted or rejected good governance reforms of the bureaucracy when these could undermine the system of patronage upon which they base their political control. Our approach focuses on struggles over the outcomes of particular projects or programs and thus allows us to explain the uneven results of the AGTP. Because the 2005 peace agreement provided the provincial government with a privileged position in the scalar configuration while reshaping the strategic selectivity of the provincial state in a manner that favoured socio-political groups associated with GAM, the scalar strategies of these now-dominant elites were pivotal in shaping the outcomes of international intervention. In particular, leaders' selective adoption has played a role in their efforts to resist inter- and intra-scalar challenges.

To be sure, Acehnese politics is not unique in the Indonesian context. Indonesian politics at all levels has long been dominated by oligarchy – politico-business elites using their control of the state apparatus to benefit themselves and their cronies (Hadiz 2010). Aceh, however, has received very high levels of foreign aid relative to other Indonesian governments, some of which, like the AGTP, explicitly aimed at rescaling administrative functions to make the practices sustaining predatory, patronage-based politics more difficult, if not impossible. As we have seen, donors' capacity to attain these objectives has been limited and shaped by the politics of scale. What then does our study suggest more broadly for donors? How should they seek to engage in difficult contexts such as Aceh's?

Based on our findings, Donors should avoid broad and vaguely defined objectives, like 'good governance'. They should instead identify clearer and more politically feasible aims, and develop the strategies and alliances necessary to achieve these. As we have seen, different components of international programs are responded to differently, depending on how these affect recipient elites' interests and ideological agendas. Donors must therefore learn to analyse

the political economy dynamics shaping the outcomes of each component and decide which is worth pursuing given this context. Furthermore, donors should seek out, not only strategic alliances with ideologically compatible allies in recipient states, but also tactical alliances with allies who could, if it is in their interests, support meaningful progress towards reform. Unfortunately for donors, their preferred ideologically compatible allies are unlikely to be sufficiently powerful in recipient states and societies. Hence, meaningful change will almost invariably require engagement with groups and individuals that they are hesitant to engage (Hutchison et al. 2014).

It is also clear that interveners must pay attention to the scalar dimension of interventions. They must, first and foremost, acknowledge that interventions take place within and across contested scales and that the scalar configuration is a dynamic product of socio-political conflict, organised to reinforce a particular distribution of power and resources. Rescaling is hence not value-neutral: it will be supported or resisted by the recipients of intervention depending on how they perceive it to affect their power and wealth. Scalar analysis can thus help: identify the scalar configuration pertinent in a given context, and its mutual constitution with power structures in the broader political economy; the degree of inter-scalar conflict, and the issues driving it; and the composition, interests and ideologies of the elite groups, how they relate to each other, and their scalar strategies. Without accounting for the politics of scale, donors are likely to find their efforts frustrated and scarce resources wasted.

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¹ For insights into further fractures within GAM and the problems of former rebels' integration into Aceh politics see Stange and Patock (2010) and Sindre (2014; 2016).

² The Indonesian civil service comprises of four echelons. Echelon I officials are the heads of

national government departments and the Regional Secretary of a province; echelon II are followed by the more junior echelon III and IV.

³ Here we focus on the OTSUS, as it was, by far, the most contested.

⁴ <http://p2k-apba.acehprov.go.id/v1/index.php>. Accessed 15 September 2016